Annual Report

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BLAZING THE TRAIL OF BANK SERVICE

GREAT CHANGES are constantly taking place in the California manner of living. On every side we see changes such as those sketched in these pages — changes for the better — in home design and equipment, in mechanization of farm work, in faster, safer, more comfortable modes of transportation, in imagination-stunning projects of irrigation to multiply the earth's abundance.

Highly placed among improvements in the California design for better living are those which have been accomplished in the field of banking — in the adaptation of deposit, credit, trust and other facilities to common needs. For many of these contributions to an advanced standard of living, the people of California thank A. P. Giannini, founder of Bank of America, who championed many of the banking innovations which they enjoy today.

Banking geared to common needs was the purpose for which A. P. Giannini founded our bank in 1904 * * One of his first banking innovations was the introduction of real estate loans repayable in monthly instalments, to bring home ownership within the reach of more people * * He sought to place metropolitan banking facilities in every neighborhood by starting our statewide branch banking system in 1907 * * Teaching thrift to school children in their most impressionable years was his goal in pioneering school savings in 1911 * * The Trust Department, started in 1917, adapted estate management facilities to the needs of all provident minded folks * * Since 1924, gift shopping and other periodic outlays have been financed by systematic accumulation in Christmas Club accounts * * Measures taken in 1926 expanded the bank's international business into our world-wide banking service of today * * Personal loans, introduced in 1929, made salaried people as welcome at the credit desk as at the deposit wicket * * Bank of America Travelers Cheques began providing safe, carefree travel funds in 1929 * * Modernization loans to finance home improvements were introduced in 1934, and in the following year FHA financing was started the same day that necessary forms were received from Washington * * Timeplan extended consumer credit into many fields, commencing in 1936 * * Commodity loans have been developed systematically since 1936, accounts receivable financing since 1937 * * Bank of America Money Orders were introduced in 1939 * * Tenplan checks eliminated minimum balance requirements in 1943, and placed the conveniences of a checking account on a simplified low-cost basis * * Term loans for capital purposes have been featured since 1945, to help the small business man make his way in the free enterprise system * * Since 1948, Thrift Club has helped the systematic saver to reach his predetermined goal * * And, in 1950, a totally new departure in bank service, that of insuring attainment of the depositor's financial goal in case of premature death, occurred with the introduction of LISA, the Life Insured Savings Account.

These and all other services of the bank continue to be available six days a week for the convenience of the public. Thus we carry on the A. P. Giannini tradition, conducting this bank according to the principles laid down by its founder and builder—providing Banking that is Building California—and in so doing serve all the people.

President's Report to the Stockholders

San Francisco, California
January 8, 1952

In 1951, savings and time deposits recorded their greatest increase for any postwar year, and one of the largest yearly gains in the history of the bank. An all-time record was established in constructive use of bank credit to meet the expanding needs of the California economy in both normal and defense sectors. Expansion of our activities in foreign fields, both direct and through our subsidiary, Bank of America (International), and growth of the Trust Department, surpassed any previous period. The impact of such forces is seen in the consolidated year-end figures for Bank of America National Trust and Savings Association.

- Resources totaled $7,531,296,927, an increase of $667,938,714 for the year.

- Deposits totaled $6,815,866,795, a 12 months' gain of $624,160,924.

- Loans outstanding in the amount of $3,632,685,350 constituted a year's increase of $375,731,791.

- Investments in securities, totaling $2,439,510,645, were up $196,095,628 for the year. Our investment in United States Government obligations, direct and fully guaranteed, rose to $1,692,549,460, an increase of $140,442,791.

- Capital funds and Reserve for Possible Loan Losses totaled $458,994,242, an increase of $12,070,385 over the final 1950 figure.

Earnings and Dividends

CURRENT operating earnings for 1951 totaled $242,147,221, in comparison with $216,962,502 for 1950. Current operating expenses and taxes consumed $181,272,639, as against $160,160,-171 the year before. After payment of expenses and provision for taxes, there remained $60,-874,582 as net current operating earnings for 1951, which compares with $56,802,331 for 1950. Transfer of $10,000,000 to Reserve for Possible Loan Losses left $50,874,582 as net profits for 1951, in comparison with $51,802,331 for 1950 after transfer of $5,000,000 to Reserve for Possible Loan Losses. These profits do not include recoveries and charge-offs which were credited directly to or debited against reserves. On 24,000,000 shares outstanding at year-ends, net profits were equal to $2.12 a share in 1951, against $2.16 a share in 1950.

Direct taxes provided by the bank in 1951 for federal, state, and municipal governments were the equivalent of $1.82 a share.

Dividend payments totaled $38,400,000 in 1951, increasing from $33,533,273 in 1950. Quarterly payments aggregated $1.60 a share in 1951, against $1.50 a share in 1950.

During 1951, $9,000,000 was transferred from Undivided Profits to Surplus, increasing that account to $175,000,000. Capital remained unchanged at $150,000,000, Undivided Profits, including the undistributed portion of the year's earnings, totaled $82,218,390, and contingency reserves $5,167,468, making total capital funds of $412,385,858 at December 31, 1951, in comparison with the previous year-end total of $399,911,277. Reserve for Possible Loan Losses amounted to $46,608,384 at the year's close, after giving effect to the addition from the year's earnings, credits for recoveries, and charges for losses written off during the year.

Summary of Earnings 1951

CURRENT OPERATING EARNINGS:		
Interest on loans	$168,074,066	
Interest and dividends on securities, after amortization, and net profit from sales of securities, including amortization recovered	38,958,962	
Other current operating earnings	35,114,193	
		$242,147,221
CURRENT OPERATING EXPENSES:		
Interest paid	$ 48,942,855	
Salaries and wages (including employes' profit-sharing bonus participation of $5,941,032)	64,647,258	
Provision for taxes and assessments	46,018,293	
Other current operating expenses	21,664,233	
		$181,272,639
NET CURRENT OPERATING EARNINGS		$ 60,874,582
Addition to Reserve for Possible Loan Losses*		10,000,000
NET PROFITS		$ 50,874,582
DIVIDENDS PAID		$ 38,400,000
ADDITION TO CAPITAL FUNDS FROM CURRENT EARNINGS*		12,474,582
		$ 50,874,582

*See "Earnings and Dividends"

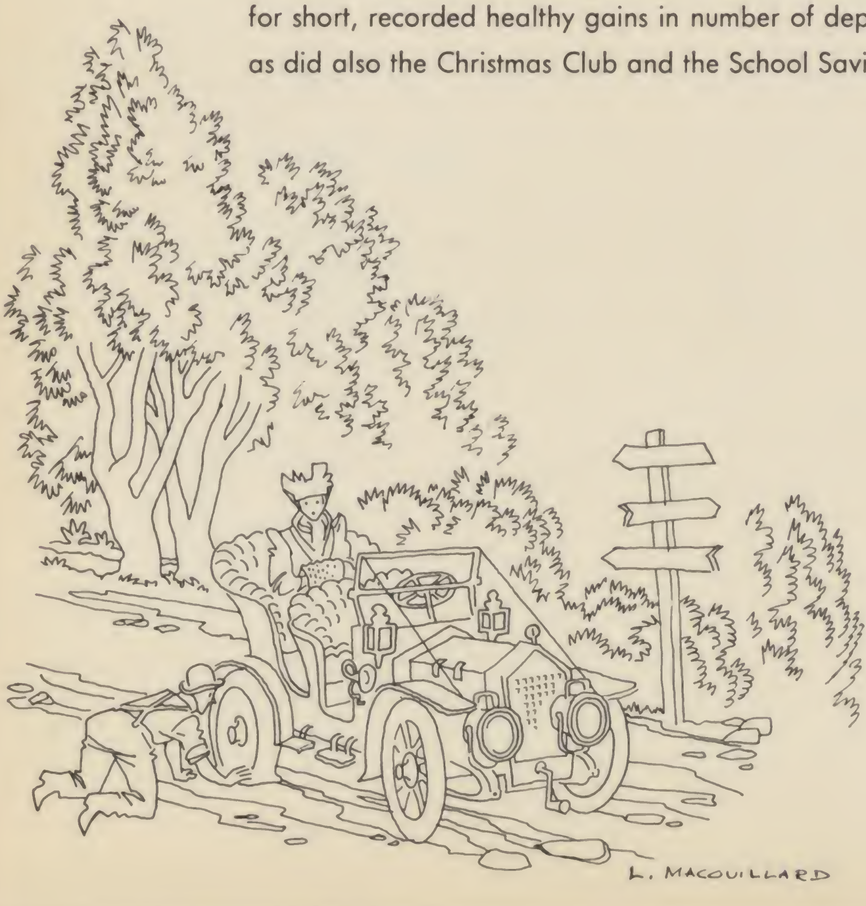
Deposit Activity

OUR DEPOSIT trends conformed generally to the national pattern, although our rate of growth was somewhat faster than that of the country as a whole. Greater business, industrial, and agricultural activity caused an increase of $238,130,160 in demand deposits, raising the total to $3,736,755,053 at the year end, while savings and time deposits increased $386,030,764 to the total of $3,079,111,743.

Before the middle of the year, a sharp step-up in rate of increase in savings occurred. From May forward, savings increased an average of about one million dollars a day. Significantly, this development occurred less than a year following the surge of buying that the Korean war inspired. The timing of this savings move, which was a nationwide phenomenon, showed that the American people had paid their debts incurred in forward buying, and were rebuilding their cash savings. It came as no surprise to bankers, who know the people both as depositors and as borrowers.

Another noteworthy development of the year was increased activity in systematic saving, saving on a programmed basis to achieve a definite goal. This bank has always promoted systematic saving, not alone by advertising, but also by designing and offering programs which fit the needs of the people.

Latest addition to our systematic savings programs, the Life Insured Savings Account, LISA for short, recorded healthy gains in number of depositors and amount of their accumulations, as did also the Christmas Club and the School Savings department.



Lending Activity

DEMAND for bank credit, greater than in any previous year, was created by higher cost of doing business, speed-up in defense manufacturing, and increase in agricultural production.

Figures now available for the 12 months ended November 30, 1951, indicate that during that period our domestic branches made loans totaling about $5,608,000,000. Commercial, industrial, and agricultural loans totaled about $3,360,000,000. Outstandings in this group, including those of overseas branches, increased about $326,000,000 to $1,213,000,000.

Home loans and other real estate loans made during the same period totaled about $409,-000,000; at November 30, net outstandings were about $1,613,000,000, against the previous year's net of $1,557,000,000. More than half of the total outstanding, or $884,000,000, was in home and other real estate loans guaranteed under the "G. I. Bill" or insured under the National Housing Act. Home and other real estate loans outstanding November 30, 1951, averaged $5,524. Most of these loans are payable in monthly instalments.

Timeplan and other classes of instalment loans, retail and wholesale, were made in the aggregate amount of about $1,840,000,000 in the 12 months ended November 30, 1951. The outstanding amount of such loans at the end of the period showed little change from a year previous, $747,529,000 against $747,646,000. This means that virtually all instalment credit extended last year represented relending of funds which were derived from loan payments.

Investment Portfolio

OUR PORTFOLIO of securities at the close of 1951 was divided in this manner: $1,692,549,460, or 69.4 per cent of the total, in direct and fully guaranteed issues of the United States Government; $421,386,501, or 17.3 per cent, in tax exempt state, county and municipal bonds; $325,574,683, or 13.3 per cent, in other bonds and securities. About two-thirds of this last mentioned total consisted of short term issues of Federal agencies.

Approaching maturity dates brought a considerably larger proportion of United States Government issues into the one-year-or-less bracket. Moreover, our new purchases were principally of short maturities. Par value of our investments due or callable in one year or less increased from $535,390,150 at December 30, 1950, to $1,240,801,000 at December 31, 1951, or from 34.9 per cent to 73.8 per cent of our United States Government portfolio. Par value of holdings due or callable in not over five years amounted to $1,529,536,950 at December 31, 1951, in comparison with $1,312,104,300 at December 30, 1950, rising from 85.6 per cent to 91.0 per cent of our total investment in United States Government issues.

Customer Census

WITH EVERY major category sharing in the gain, an increase of 341,747 deposit accounts was recorded last year. The total increased to 4,680,677 in November, and consisted of 3,023,505 savings accounts of various types and 1,657,172 ordinary and Tenplan checking accounts. Exclusive of public funds, checking balances averaged $1,573, savings balances, $863.

We made an estimated 2,403,000 loans during the year, and at its close had approximately 2,357,000 loans on the books, composed of 573,000 loans to assist people to purchase or improve their homes or other real estate, 1,660,000 small loans to individuals and business enterprises, and 124,000 commercial, industrial, and agricultural loans.

Trust Department

GROWTH of the Trust Department continued in the substantial manner of recent years. It was in all major particulars the department's best year to date. One of many causes of this growth is increasing use of trust services by our stockholders. They are becoming better acquainted with the department, and with better acquaintance are making greater use of trust services; also, they are more frequently recommending the department to their relatives and associates.

Our Common Trust Fund enjoyed another good year and, although only four years old, it is now one of the largest funds of its type in the United States. Income yield from the fund's investments continued to exceed 4 per cent.

Investors, both private and institutional, are employing our investment management service to their convenience and profit. Corporations are finding our facilities useful in setting up and administering their profit-sharing plans. Our organizational and advisory facilities for handling these and other types of trust business have been expanded and improved in keeping with the increased demand for service which we are experiencing.

International Banking

THE YEAR'S expansion of our international banking operations was featured by establishment of many new correspondent relationships with foreign central and private banks, the opening of a representative's office in Mexico City, and establishment of a branch of Bank of America (International) at Duesseldorf in the Ruhr industrial region of West Germany.

Extension of our network of correspondents was worldwide in the truest sense. It occurred in western Europe, in Central and South America, in Australia and New Zealand, in India, Pakistan and all countries of the Far East. Tangible results of this expansion appear in the deposit total, in the volume of credit extended, in the volume of letters of credit issued, and in the amount of acceptances outstanding.

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RESOURCES

Cash in our vaults and in banks		$1,182,633,703.44
United States Government obligations, direct and fully guaranteed	$1,692,549,460.18	
State, county, and municipal bonds	421,386,501.11	
Other bonds and securities	316,094,683.40	
Stock in Federal Reserve Bank	9,480,000.00	
TOTAL SECURITIES		$2,439,510,644.69
We have loaned to our customers for use in their businesses, for the storing of commodities, for intermediate capital uses, for building, buying, or modernizing their homes, for financing automobile or household equipment purchases, and for other legitimate needs	$3,632,685,349.60	
We have interest due us on bonds and loans (earned to the date of this statement), and accounts receivable	34,119,244.96	
We have customers' guarantees or securities for letters of credit and acceptances, and their obligations on endorsed bills and notes	186,609,731.42	
TOTAL DUE US FROM CUSTOMERS		$3,853,414,325.98
Bank buildings, furniture, fixtures, and safe deposit vaults. This figure represents the cost less depreciation reserve of $26,715,939.15		$ 52,547,710.61
Other real estate owned. This is real estate acquired in the settlement of debt, carried at less than cost or appraised value		$ 1,110,955.36
Other resources, including automotive equipment, deferred charges, etc.		$ 2,079,587.09
TOTAL RESOURCES		$7,531,296,927.17

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CONDENSED STATEMENT OF CO

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RESOURCES

Cash in Vault and in Banks	$18,910,993.45
United States Government Obligations, direct and fully guaranteed	15,181,590.27
Loans and Discounts	10,851,043.82
Accrued Interest	26,040.63
Customers' Liability on account of Letters of Credit and Acceptances, and on Endorsed Bills and Notes	40,854,350.67
Other Resources	139,158.71
TOTAL RESOURCES	$85,963,177.55

COMBINED RESOURCES

America

ND GS ASSOCIATION

n December 31, 1951

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LIABILITIES

Capital. Representing the investment of over 200,000 stockholders	$ 150,000,000.00	
Surplus. Paid in by stockholders or accumulated from earnings	175,000,000.00	
Undivided profits. Profits accumulated and not distributed	82,218,390.32	
Reserves. Set aside out of accumulated profits by the Board of Directors, available as a reserve, in addition to Surplus and Undivided Profits, against normal contingencies	5,167,468.04	
TOTAL CAPITAL FUNDS		$ 412,385,858.36
Reserve for possible loan losses. This reserve is to apply against any loan losses that may develop in the future; it has not been allocated to any particular loans or type of loans		$ 46,608,383.91
Demand deposits. Funds placed with the bank by individuals, corporations, firms, banks, public officials, and the United States Government (payable on demand)	$3,736,755,052.55	
Savings and time deposits. Funds placed with the bank in savings accounts or for extended periods of time by individuals, corporations, firms, United States Government, State of California and political subdivisions thereof	3,079,111,742.67	
TOTAL DEPOSITS		$6,815,866,795.22
We have issued letters of credit and accepted bills on behalf of customers, and have endorsed bills and notes, all of which are secured by customers' obligations or collateral included in resources		$ 196,257,346.04
We have reserved for interest received in advance on loans . . . . . This amount will be taken into income as earned		$ 17,315,532.60
We have set aside as a reserve for interest payable on time deposits and for taxes and other expenses		$ 42,863,011.04
TOTAL LIABILITIES		$7,531,296,927.17

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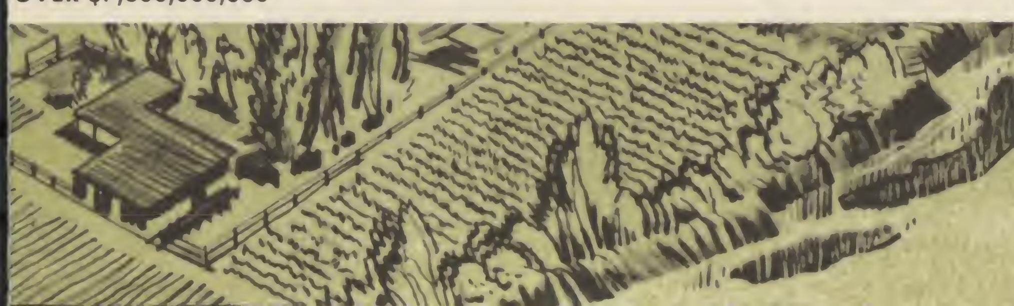
F BRANCH, GERMANY

LIABILITIES

Capital	$6,000,000.00	
Surplus	1,500,000.00	
Undivided Profits	321,818.35	
Total Capital Funds		$ 7,821,818.35
Reserve for possible Loan Losses		150,000.00
Deposits		35,141,393.02
Liability for Letters of Credit and as Acceptor of and Endorser on Acceptances, Bills, and Notes		42,538,698.77
Reserve for Interest Received in Advance		43,665.65
Reserve for Interest, Taxes, etc.		267,601.76
TOTAL LIABILITIES		$85,963,177.55

OVER $7,600,000,000



Transfer of control of the Japanese economy from the occupation authorities to the Japanese Government following the Treaty of San Francisco, brought greatly increased demands upon us. Through our organization in this country and branches in Japan, we extended credits and furnished technical assistance and trade information to assist in reestablishment of the Japanese economy. Among other highspots of growth in our foreign business were the Philippines and Thailand, where we have branches.

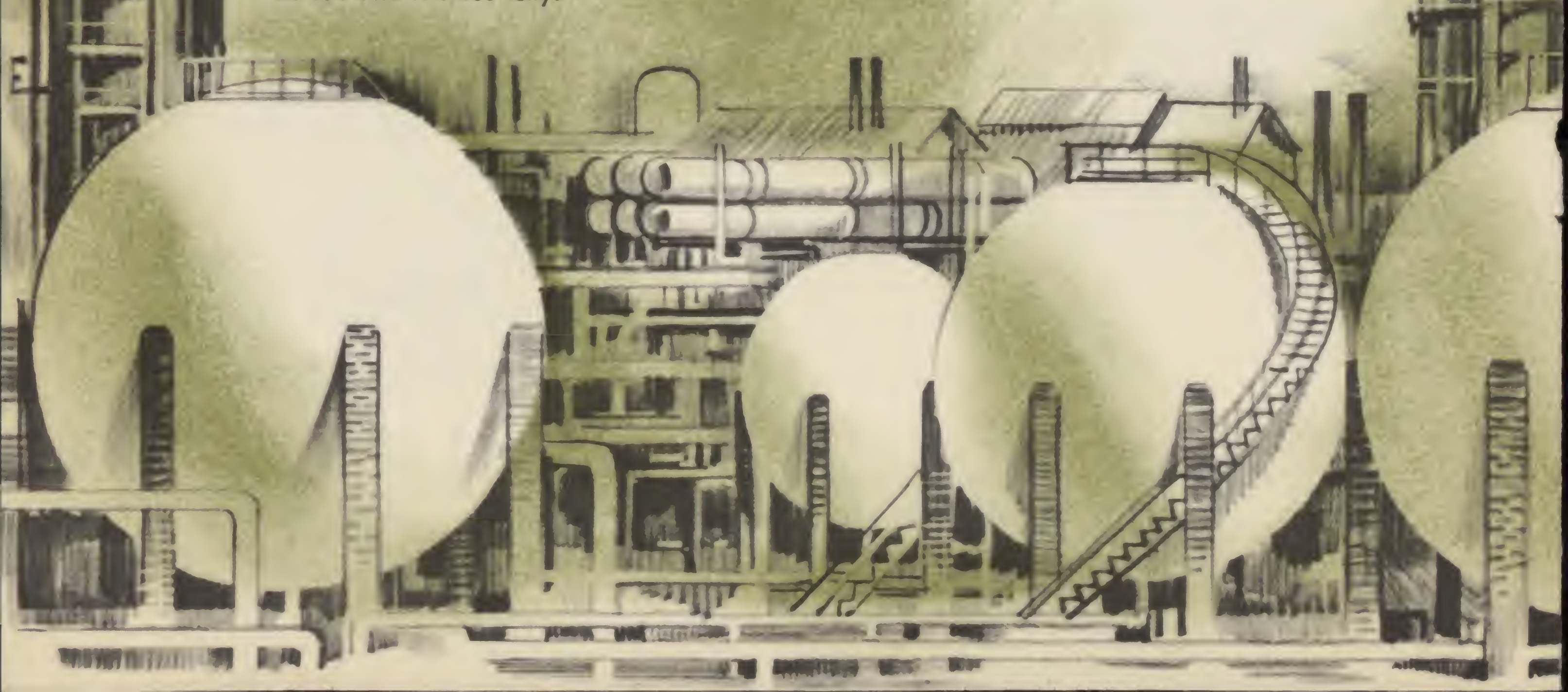
Plans were completed last year for opening a branch in London's West End, to attend to the needs of American travelers and business interests in the cosmopolitan center of the city.

Bank of America (International)

BANK OF AMERICA (INTERNATIONAL), our subsidiary which was organized in 1950 to foster foreign commerce, had total resources of $85,963,178 at December 31, 1951. Capital funds at that date totaled $7,821,818, including Undivided Profits of $321,818; and Reserve for Possible Loan Losses totaled $150,000. Net profits for 1951 were about $343,000 before provision for Reserve for Possible Loan Losses. This bank appears destined to achieve an increasingly important position within the sphere of its activities.

Branch Extension

ADDITIONAL California branches were established during 1951 in Culver City, Long Beach and Van Nuys. Facilities to serve the military were opened in Los Alamitos, Victorville, San Diego and Herlong. We now operate 529 branches in California, 25 military banking facilities in California and one in Saipan, eight overseas banking offices including the Duesseldorf branch of Bank of America (International), and offices of representatives in New York, Paris, Milan, Zurich and Mexico City.



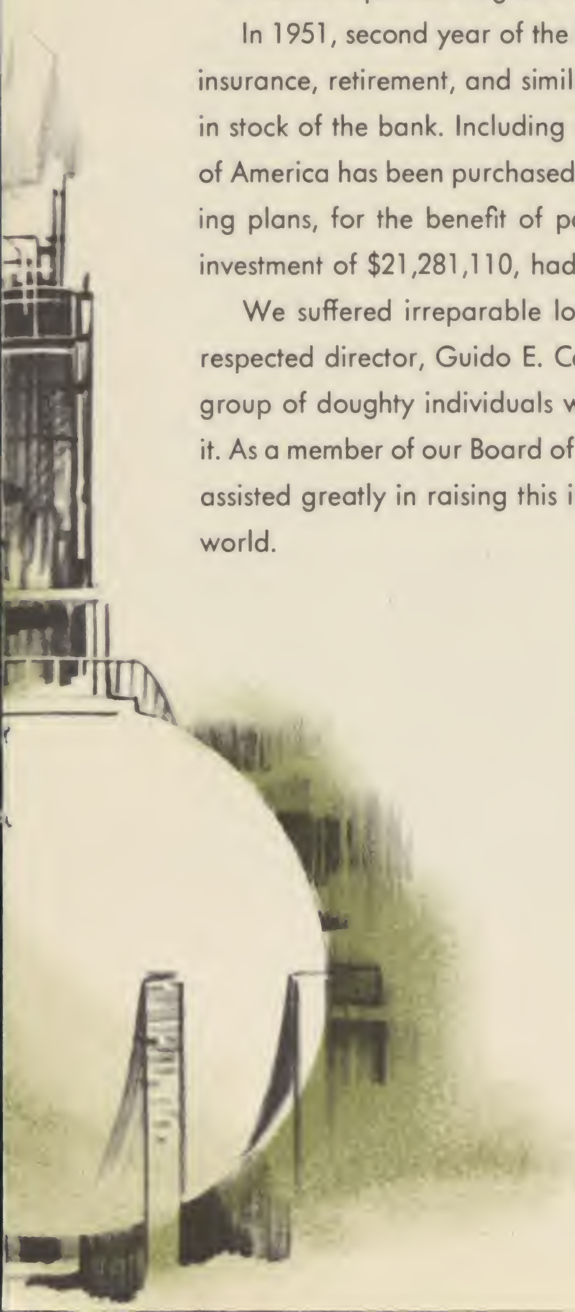
The Bankamerican Family

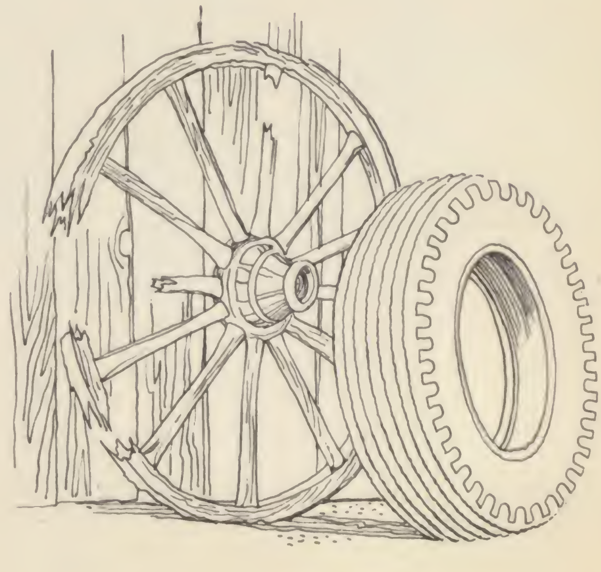
THE YEAR'S work which I have just summarized was accomplished through the cooperative efforts of over 17,000 Bankamericans. To each and every one we extend our hearty thanks for a fine achievement. During the year, 177 members of the organization reached their 25th milestone of service, giving the Quarter Century Club a membership of 1,640 (one of the most impressive figures in this report), of which 1,223 are still in active service. In the enthusiasm and loyalty of these veterans, and the younger members of the staff as well, we have a real asset. Nearly 600 Bankamericans are now on military leave. We look forward to their return, and hope for the time when such separations will no longer be necessary.

In addition to individual increases and promotions, a general salary increase took place last July, following a similar adjustment the previous November. The average salary rate for 1951 was 9.6 per cent higher than in 1950.

In 1951, second year of the Family Estate Plan, approximately $7,500,000 was provided for insurance, retirement, and similar benefits, for the Christmas cash payment, and for investment in stock of the bank. Including shares purchased last year, a total of 1,324,314 shares in Bank of America has been purchased since 1938 under the Family Estate and predecessor profit-sharing plans, for the benefit of participating employees. These shares, representing an original investment of $21,281,110, had a market value of $37,246,331 at the year's closing bid price.

We suffered irreparable loss last August in the passing of our much beloved and highly respected director, Guido E. Caglieri. He was one of the original stockholders of the bank, a group of doughty individuals who showed their faith in a banking idea by their investment in it. As a member of our Board of Directors for over 46 years, beginning in May 1905, Dr. Caglieri assisted greatly in raising this institution to its present position in our state and in the banking world.





Elsewhere in this review we report increases in deposits, loans and in other banking operations. A different kind of gain occurred also last year, one in which we find much satisfaction, namely, the increase in our family of stockholders. This bank started with 159 stockholders. Last year the group reached and passed the 200,000-mark. Our ownership group is one of the largest in the country. Featuring the recent increase in stockholders are additions on the Eastern seaboard, and among the nation's savings banks, insurance companies, and other institutional investors.

The Federal Reserve Hearing

IN JUNE, the Federal Reserve Board's hearing officer submitted a "recommended decision" in the three-year old anti-trust proceeding against Transamerica Corporation, advising, among other things, that Transamerica be required to sell to someone other than Bank of America its stockholdings in 22 California banks. The hearing officer did not recommend any interference with Transamerica's 7.6 per cent ownership interest in Bank of America.

Exceptions were argued before the Reserve Board in Washington in December. Counsel for Transamerica challenged the Board's jurisdiction, protested the arbitrary rulings of the hearing officer, and emphasized that the policies of the banks mentioned in the complaint have stimulated competition and improved public service rather than "tending to create a monopoly."

Bankers and bank customers know that banking is an intensely competitive business on the West Coast; they know that Bank of America has helped to make it that way and keep it that way. It is to be hoped that the Federal Reserve Board will recognize these facts and dismiss its complaint.

The California Trend

MORE PEOPLE, more jobs, more income, more activity in the fields of trade, industry, and agriculture — that was the California trend in 1951. The estimated population passed 11 millions. Over 4,600,000 of these people had jobs; unemployment was at a minimum. Individual incomes rose about 13 per cent to the impressive government estimate of 21 billions of dollars. Retail sales as a whole were high, with increased demand for some lines making up for less demand for others. Rate of increase in department store sales was greater in the first half of the year than in the second.

Defense activities had much to do with high rates of employment, incomes, and trade activity. For the year ended June 30, 1951, military procurement and large construction contracts to California firms amounted to nearly four billions of dollars, more than one-eighth of the national total. The state's manufacturing plants were expanded at a rate two and one-half times that of the previous year.

California's gross cash farm income, estimated at $2,650,000,000 for 1951, was about 13 per cent higher than in 1950.

Our bank is serving a very busy state.

Our National Interest

THE SUBJECT of taxes is not a new topic of discussion, but certainly it is a timely one. While other costs have gone up 10 per cent, 20 per cent, or 100 per cent, the cost of government has multiplied many fold. The person whose income called for $75 as Federal tax in 1940 now faces a tax bill of approximately $580—an increase of 673 per cent.

We are expected to shoulder increased taxes on the basis of national emergency—to finance defense. The fact is, however, that too many of our extra tax dollars are being spent for purposes far removed from defense.

For fiscal years ended June 30, total Federal expenditures rose from $60,703,000,000 in 1946 to the Government's estimated $71,594,000,000 in 1952, an increase just short of 11 billions. These totals cover national defense, foreign aid, welfare programs such as veterans' administration and social security, and other outlays which we may classify as ordinary government operations.

Focusing our attention on the welfare items and ordinary operations, we find that their cost has risen from $13,900,000,000 in fiscal 1946 to the estimated $19,750,000,000 for fiscal 1952, an increase of almost six billion dollars. This is more than half the increase in total Federal expenditures, including national defense and foreign aid. And a most significant fact is that four billions of this six billion dollar increase are in ordinary government expenditures, exclusive, even, of the welfare items. While welfare disbursements increased two billions, ordinary outlays increased nearly four billions. These ordinary costs of government in the current fiscal year will be almost 50 per cent higher than they were just six years ago.

Why is the cost of regular functions of government soaring in this manner? One primary cause is the modern habit of demanding, or permitting, endless expansion of Federal functions which increases our cost of living, our cost of government, and our taxes.

We seem to be operating by a double standard, one a standard of efficiency for business, and another, a standard of extravagance for government. Business is asked to cut expenses and accept smaller profits for its stockholders in order to hold down prices to consumers, and to pay more taxes to the government. The people are told to do without luxuries, conveniences, and actual necessities, in order to give more of their earnings to the government to spend. Certainly it is reasonable to demand the same standard of efficiency and economy from our government that we must practice as businessmen and individuals. Among other things, it is only proper to expect the great and growing army of public servants to work under conditions of employment similar to those of their employers, the taxpayers.

With our tax dollars we are buying a service—government service. We are buying a service just as truly as when we pay insurance premiums, or laundry bills, or lawyer's fees, or interest on loans. When we consider that the ordinary functions of government, exclusive of national defense, foreign aid, and welfare items, are costing us close to 50 per cent more than they did six short years ago, the conclusions are inescapable that too many of our tax dollars are being wasted and we are demanding, or being forced to buy, more government service than we can pay for, which means more than is good for us.

We need a reversal in national attitude, in which as individuals and as organized groups we cease demanding more and more subsidies from our Federal government. We need the kind of leadership, in and out of government, that will bring about this reversal of national attitude, and a return to constitutional government.

The good health of this country requires that we overcome the fear and defeatism that is all too prevalent in our land today, that we cease stimulating inflation by piling up more government debt, and that we achieve a pay-as-we-go policy, not by endlessly increasing taxes, but by making our tax dollars go farther.

As free people we must with courage and intelligence demand respect for our country throughout the world, yet individually and collectively resolve to preserve our national solvency. While we still may, it behooves us to resist the subversion of our independence and the freedom and liberty which are the foundation stones of our heritage as Americans.

Respectfully submitted,

President.

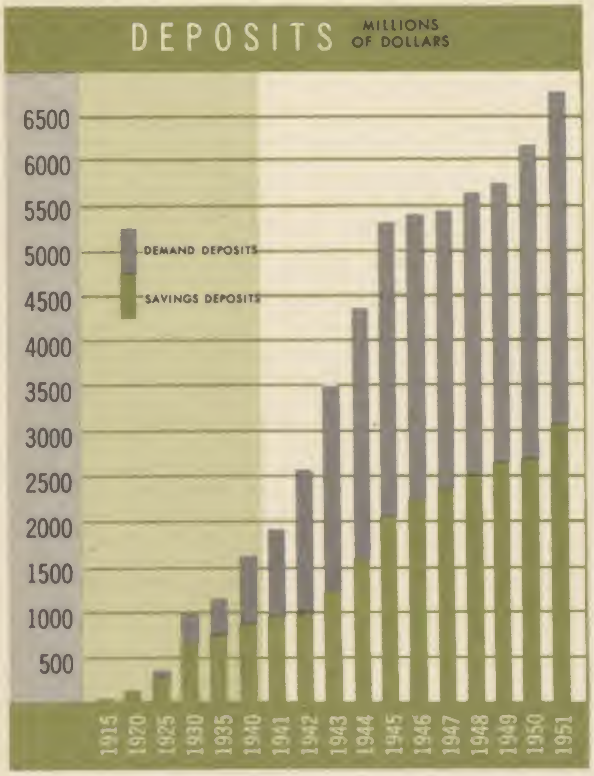
GROWTH OF BANK OF AMERICA NT&SA

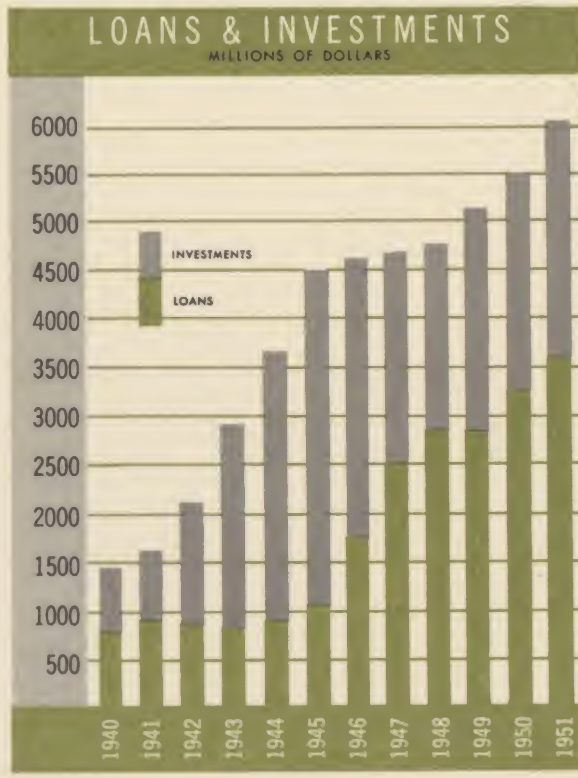
Dec. 31	Total Deposits	Capital	Surplus and Undivided Profits	Loans and Discounts	Investments in Securities	Total Resources	Number of Deposit Accounts (Dec. 23)	No. of Banking Offices
1904	$ 134,413	$ 150,000	$ 1,024	$ 178,400	$ 34,446	$ 285,437	①	1
1905	703,024	300,000	10,000	883,522	24,505	1,021,291	①	1
1906	1,348,723	500,000	31,565	1,471,123	81,571	1,899,947	①	1
1907	1,660,324	500,000	46,945	1,678,222	①	2,221,347	①	2
1908	1,728,899	750,000	78,673	1,669,567	57,884	2,574,005	①	2
1909	2,929,495	750,000	90,820	2,445,137	266,628	3,817,218	①	3
1910	5,348,151	1,000,000	150,000	4,159,459	858,547	6,539,861	①	3
1911	7,129,456	1,000,000	201,649	4,885,974	1,638,000	8,379,347	①	3
1912	9,916,018	1,000,000	251,437	7,092,823	1,846,769	11,228,815	①	4
1913	14,226,242	1,250,000	330,390	10,282,785	2,406,706	15,882,912	42,378	7
1914	16,272,563	1,250,000	350,217	11,457,790	2,677,718	18,030,402	50,253	7
1915	20,474,873	1,250,000	374,244	12,970,068	5,084,363	22,321,861	58,854	7
1916	36,804,776	2,000,000	691,452	23,682,894	7,527,408	39,805,995	90,683	12
1917	72,044,729	3,000,000	1,100,000	47,004,189	13,308,177	77,473,153	141,298	19
1918	85,937,839	5,000,000	2,000,000	59,869,035	14,538,649	93,546,162	161,626	24
1919	127,258,626	6,000,000	2,500,000	74,737,335	33,855,881	137,900,700	189,511	24
1920	140,993,545	9,000,000	3,913,240	95,127,616	37,199,447	157,464,685	221,788	24
1921	177,867,611	10,000,000	5,036,948	116,911,735	43,499,682	194,179,450	291,994	41
1922	229,751,526	15,000,000	7,529,844	152,989,286	59,090,529	254,282,290	401,798	61
1923	276,548,879	15,000,000	8,616,832	200,505,931	56,543,859	301,963,478	485,136	75
1924	328,963,919	17,500,000	10,561,578	204,472,438	96,489,255	358,656,302	548,265	87
1925	389,433,241	17,500,000	13,474,173	228,793,066	121,678,890	422,838,587	595,032	98
1926	416,656,511	20,000,000	16,928,035	255,557,233	129,630,279	460,981,773	616,313	98
1927	645,002,138	37,500,000	25,540,829	403,864,139	238,856,707	765,188,977	1,083,303	289
1928	698,435,841	50,000,000	55,756,632	410,276,641	272,884,061	847,910,539	1,139,076	290
1929	893,892,733	50,000,000	58,251,159	541,617,718	246,538,740	1,055,113,373	1,444,090	292
1930	998,039,477	50,000,000	54,136,374	669,258,341	249,139,543	1,161,895,889	1,625,381	353
1931	749,796,772	50,000,000	54,290,312	548,431,954	237,965,856	925,150,152	1,542,783	346
1932	700,447,811	50,000,000	49,890,774	480,675,374	262,952,550	876,309,347	1,380,550	345
1933	767,817,646	50,000,000	49,591,605	458,693,566	311,084,996	941,001,838	1,357,224	345
1934	978,332,802	50,000,000	47,164,341	461,645,975	477,989,657	1,142,323,319	1,547,604	413
1935	1,155,265,465	50,000,000	50,867,307	451,009,354	622,694,559	1,277,419,381	1,677,558	421
1936	1,298,976,759	50,000,000	55,024,112	532,076,966	625,809,982	1,430,337,201	1,911,035	466
1937	1,357,378,756	50,000,000	59,104,964	630,668,811	553,131,379	1,493,373,095	2,123,057	491
1938	1,437,027,491	50,000,000	64,058,600	673,828,309	557,632,428	1,574,721,670	2,182,298	494
1939	1,482,791,676	50,000,000	66,845,842	711,054,697	604,268,671	1,628,586,278	2,268,843	495
1940	1,632,228,397	62,000,000②	82,278,753	778,295,101	668,676,296	1,817,535,186	2,384,551	495
1941	1,908,383,921	60,800,000②	83,634,808	914,569,553	693,113,910	2,095,635,619	2,538,783	495
1942	2,586,140,699	59,215,920②	83,151,214	840,469,960	1,265,749,444	2,771,689,632	2,512,805	487
1943	3,498,153,210	58,102,920②	87,051,168	810,660,642	2,095,432,722	3,697,912,675	2,743,231	488③
1944	4,350,539,688	68,085,560②	140,779,201	894,436,931	2,740,064,364	4,609,124,133	3,054,803	491③
1945	5,339,307,098	108,085,560②	117,155,495	1,018,741,456	3,533,172,278	5,626,063,927	3,316,494	493③
1946	5,415,849,715	106,646,375	130,235,547	1,722,743,513	2,882,151,377	5,765,525,193	3,619,925	500③
1947	5,467,199,162	106,646,375	150,525,936	2,492,979,739	2,170,721,906	5,845,817,669	3,815,802	508③
1948	5,639,523,419	106,646,375	172,872,255	2,807,070,398	1,945,231,719	6,072,913,872	3,978,403	517③
1949	5,775,110,029	127,975,650	177,868,961	2,804,522,646	2,322,505,622	6,250,402,352	4,120,523	525③
1950	6,191,705,871	150,000,000	244,822,146	3,256,953,558	2,243,415,017	6,863,358,214	4,374,838	526③
1951	6,815,866,795	150,000,000	257,218,390	3,632,685,350	2,439,510,645	7,531,296,927	(November 30) 4,680,677	529③

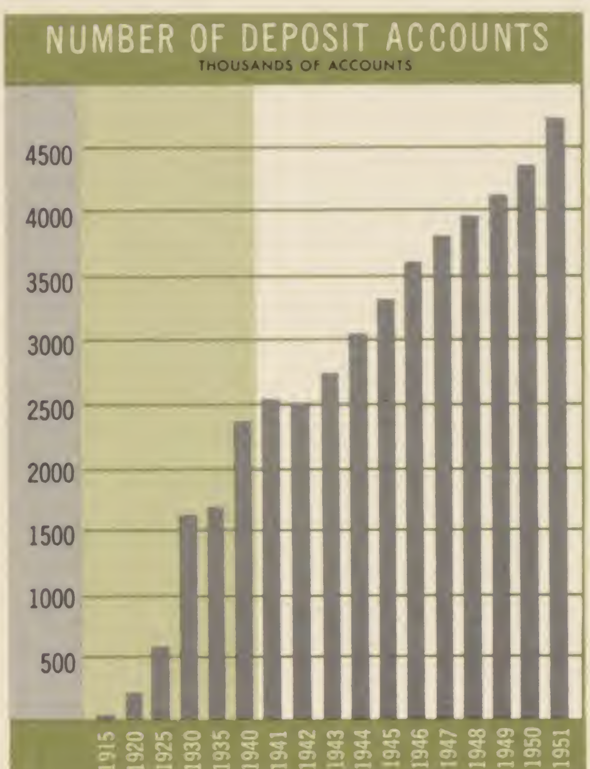
① Not available.

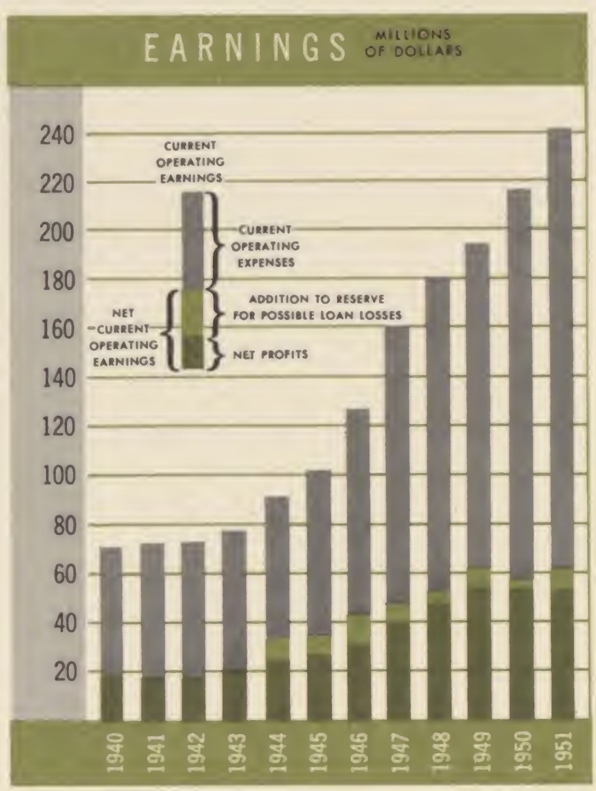
② Includes Preferred Stock but does not include Reserve for Increase of Common Capital, which amounted to $1,200,000 in 1941, $2,784,080 in 1942, $3,897,080 in 1943, and $3,914,440 in 1944. This Reserve was not needed and was transferred to Undivided Profits on June 15, 1945, concurrently with the payment of a 66⅔% stock dividend. During 1946, 400,327 shares of Preferred Stock ($8,006,540 Par Value) were converted into 531,710 shares of Common Stock ($6,646,375 Par Value), and the difference in par value, $1,360,165, was credited to Surplus Account. The remaining shares of Preferred Stock, 3,951, were retired by call July 31, 1946.

③ In addition, the Bank was operating 31 "Military Facilities" at December 31, 1943; 42 at December 30, 1944; 39 at December 31, 1945; 15 at December 31, 1946; 12 at December 31, 1947, and 1948; 17 at December 31, 1949; 22 at December 30, 1950; and 26 at December 31, 1951.


DEPOSITS MILLIONS OF DOLLARS
DEMAND DEPOSITS
SAVINGS DEPOSITS
6500
6000
5500
5000
4500
4000
3500
3000
2500
2000
1500
1000
500
1915
1920
1925
1930
1935
1940
1941
1942
1943
1944
1945
1946
1947
1948
1949
1950
1951


LOANS & INVESTMENTS
MILLIONS OF DOLLARS
INVESTMENTS
LOANS
6000
5500
5000
4500
4000
3500
3000
2500
2000
1500
1000
500
1940
1941
1942
1943
1944
1945
1946
1947
1948
1949
1950
1951


NUMBER OF DEPOSIT ACCOUNTS
THOUSANDS OF ACCOUNTS
4500
4000
3500
3000
2500
2000
1500
1000
500
1915
1920
1925
1930
1935
1940
1941
1942
1943
1944
1945
1946
1947
1948
1949
1950
1951


EARNINGS MILLIONS OF DOLLARS
CURRENT OPERATING EARNINGS
CURRENT OPERATING EXPENSES
ADDITION TO RESERVE FOR POSSIBLE LOAN LOSSES
NET CURRENT OPERATING EARNINGS
NET PROFITS
240
220
200
180
160
140
120
100
80
60
40
20
1940
1941
1942
1943
1944
1945
1946
1947
1948
1949
1950
1951